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THE ALASKA FUR-SEAL BILL.

HON. NATHAN F. DIXON,

Chairman of Committee on Commerce, House of Representatives :

SIR—We respectfully invite your attention, and, through you, the attention of the honorable committee of which you are chairman, to the following considerations in regard to "Senate bill No. 32, for preventing the extermination of fur-bearing animals in Alaska," which has just been referred to the committee.

The American-Russian Commercial Company, which hereby appeals to the committee in regard to the pending bill, is an incorporated firm of gentlemen of San Francisco, which has for fifteen years been engaged in the trade to Alaska, has extended its operations, and proposes still further to extend them if favorable circumstances permit. It will be readily understood that we are deeply concerned in any bill which proposes to close up the avenues of trade to any part of the Territory, and are specially concerned in the bill which proposes to place within the control of one, or, at most, two firms, what happens to be the central and chief field of operations in that section. Although the capital we are employing and our business connections are second in amount and importance to those of no other company engaged in this trade, our interests in this matter are identical with those of the great body of enterprising, unincorporated, middle-class traders who have sent and propose to send their ventures to the new grounds acquired by purchase from Russia, and we are sure that we may speak on this subject in behalf of all whose operations extend to those higher latitudes, excepting one or two firms—the only ones, so far as we know, who desire the passage of the bill in its present shape.

Any bill which proposes to prevent the extermination of fur-bearing animals in Alaska must, as a matter of course, receive the cordial support of all who will be engaged in that trade, in so far as it actually tends to accomplish the proposed design. We believe that some special legislative or administrative action is necessary to properly control the business of obtaining fur-seal skins from the islands in question. We think it necessary to provide, for example, that only natives of the islands and coasts of Behring's sea and adjoining waters shall be allowed to kill the seals, and that fire-arms shall never be used for the purpose; and we are

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altogether in favor of the proposed regulations for the protection of the rights and interests of that simple people. We believe, also, that a revenue of over \$200,000 per annum ought to be secured by the Government from the two islands, and to that end, that an open market should be established on one or both the islands, to which the natives may bring their peltries—their sole means of support—for sale to any and all comers. A Treasury officer and a very small guard from the military force at present assigned to duty in Alaska should, of course, be stationed so as to preserve order and secure the collection of the revenue.

We are, however, decidedly of the opinion that the plan proposed by the bill in question, which is to lease the islands for a term of years, is not adapted to secure the highest revenue to the Treasury from them, neither is any such exclusive system *necessary* to prevent the extermination of the seals. The unfavorable influence and evil effects growing out of the inauguration of such a system as is contemplated by the bill would so far overbalance all the advantages to be derived by the Government from it as really to make it desirable that the seals should be immediately exterminated, rather than that an incubus of the kind should be thrown upon the trade of this section. The islands (St. Paul and St. George) really afford the most important of the immediately available resources of the Territory, and a company which once obtains a footing there by means of a ten-years' lease will speedily become master of the trade at the several harbors in that region. Such company would have a kind of feudal sway over the natives, and it would rapidly become a far-reaching monopoly, in the shade of which all other business enterprises would languish, or be dwarfed or altogether driven away; and we should see it gradually entrenching itself, growing richer and more powerful, and controlling by its influence legislative bodies and Government officials. If there were an open market on the islands at which all traders could buy peltries of the natives, in the proper season, collusion between traders and revenue officials would be impracticable on account of the number of the parties concerned. But, if the business be left to a single firm, we may safely assume that not only will the amount of revenue be presently very materially reduced, but that many irregularities will be practised, which from the very nature of the case—the well-known tendency of monopolists to suppress the truth about their operations—there will be no means of detecting. At least, we think that by the bill now under consideration the interests of the Government, of the natives, and of the Territory itself generally, will be left more entirely dependent upon the simple integrity and unselfishness of a single firm of fur-traders than is either *republican or safe*.

The bill in which the first effort was made "to prevent the extermination of fur-bearing animals in Alaska" might, we think, have been more aptly entitled "A bill for the extermination of all the small and adventurous traders who, in Alaska, as elsewhere, are the pioneers of civilization and commerce." This bill openly

proposed to give to "the successors in interest of the Russian-American Fur Company" a thirty-years' lease of the islands. There are, strictly speaking, *no* "successors in interest" of the Russian-American Fur Company, because all the franchises and privileges of that company were expressly terminated by the treaty of cession. It is very well understood, however, who are referred to in the terms above quoted, they being a business firm which has rapidly risen into importance in financial circles on the Pacific coast since the purchase of Alaska. Of the members of it who are personally known to us we have only to speak in terms of high esteem. We will assume that this company of very worthy and enterprising gentlemen, upon whom that bill contemplated the conferring a thirty-years' lease of the islands, not having been made recipients of that valuable and important franchise by Congress, may, in common with other citizens, have sought to impress upon the members of your honorable body the expediency of passing a measure similar to the original, but in a modified form. We will assume, for the sake of illustration, that the alleged "successors in interest of the Russian-American Fur Company," relying upon the manifest disposition of Congress both to take good care to prevent the extermination of the seals and to provide for receiving *some* return for the purchase-money of the Territory, justly reckon upon the passage of the bill in question, and expect, as a matter of course, to be able to show the Treasury Department that (inasmuch as there is *no provision for public bidding*) the leases may, "to the best advantage," (in the words of the bill,) be vested in themselves. Having made these assumptions, which we suppose to be well enough grounded, and entirely disclaiming participation in the personalities of the articles following, we invite your attention to expressions of opinion by the press of the Pacific coast, which are so general as to preclude the idea that they are not entirely spontaneous and impartial. [See newspaper extracts appended.]

It is true that these expressions were elicited by the first bill which was offered, having the effect of causing its immediate withdrawal. If time permitted, however, the committee would doubtless find that the same general outcry against the proposed legislation, or rather against the provisions tending to establish a monopoly, still continues. For we have most earnestly to represent to the honorable committee that the bill in its present shape is hardly less objectionable and dangerous, and threatens not less the material interests of a large number of citizens of the Pacific coast, as well as contains provisos which may readily be perverted so as to bring about the ultimate infliction of immense injury upon the general prosperity of the newly-acquired possessions.

The bill proposes to give to a few individuals a monopoly of the peculiar fur-trade which belongs to this locality—that of the fur seal. We complain, in the first instance, that it contains no provision for public bidding for the leases. The granting of such a monopoly would, of itself, so greatly advance the price of the

fur-seal skins in the markets of the world as to enable the beneficiaries to pay a very high premium for the grant. Offering them for public bidding (in case the bill should pass) would develop the fact, doubtless, that the leases have such a market value as has, perhaps, not been suffered to be altogether understood by those not conversant with the circumstances of the case—such a market value as would probably not be discovered at all should the Treasury Department be induced to act as precipitately in the matter of disposing of the leases as Congress is urged to act in passing the bill. If such a monopoly is really to be granted, then we hope it will be sold publicly to the highest bidder, and not privately to persons who, it may happen, may, by means of great resources and facilities for exerting influence, have undue advantage over others not less able to assume the responsibilities of the leases, but who would understand the business of contracting with the Government through sealed proposals, secured by ample bonds, better than questionable dealing with public officials, in charge of contracts, through private conferences.

We wish here particularly to ask the attention of the committee to the fact that House bill No. 1885, matured by the Committee on Commerce of the last Congress, although providing for bids and public notice, entirely neutralizes the effect of that condition by the proviso contained in lines from 34 to 42, inclusive, of section 3. The same reasons which would prevail against the passage of Senate bill No. 32, now under consideration, would operate against that, so long as it contained that proviso.

The people of the Pacific coast wish the benefit of a free, open trade to Alaska, the same as they enjoy under ordinary coasting licenses with any other part of the national domain; and they are disposed to cheerfully comply with all regulations devised to foster and perpetuate commerce in that direction. The fur-seal trade is not likely to exceed in importance other branches of trade for more than a brief period, unless, as is threatened by the pending bill, it should be made the nucleus of a wide-spreading monopoly. As a general rule, orders, regulations, and acts, having for their effect the generation of friction in the machinery of trade and commerce, and creating restraints, especially where subordinate officials have power to discriminate in favor of particular persons, have a tendency to oppress and even to destroy entirely traders of small means, and to build up at their expense associations of unscrupulous persons enjoying larger wealth and influence.

In order not too far to occupy the time of the committee, we will conclude with suggesting what we consider essential amendments to the bill as it now stands, or rather a plan from which we hope there may be prepared a substitute for the bill itself. And here we respectfully represent to the committee that, in our judgment, there does not exist, under the well-understood condition of things on the

islands, any *imperative* need of legislation upon the subject the present year—at least no such need as could justify the attempted hurrying of this bill through the committee and through the House without careful consideration and amendment, and a sufficient hearing of the parties whose interests are chiefly affected by its provisions.

We are of opinion that the bill should be modified so as at least to cover the following points, beginning, first, with the provision that the natives alone shall be allowed to kill the seal; second, that all American citizens shall be allowed to compete in some designated market-place on one of the islands for the purchase of the skins, and that sales of the skins shall be made at no other points on the islands; third, that an officer of the Treasury Department and a very small military guard shall, at the proper season, be stationed so as to enforce the regulations and secure a revenue of \$1 or \$1.25 upon every skin shipped. The officer of the military force should be of such rank and discretion as to be able to render a most efficient check upon the operations of the revenue officials, and he also should render a minute report to his superiors of the number of skins bought and shipped.

Under this plan we believe that the islands may be made to yield an annual revenue of \$200,000 over and above the expense of collection and of the military force. At the same time the material prosperity of the Territory generally would be so advanced as could not be the case were these interests placed, for any consideration, in the power of a jealous and overshadowing monopoly.

We are, very respectfully, your obedient servants,

THE AMERICAN RUSSIAN COMMERCIAL COMPANY,

Of San Francisco.

WASHINGTON, D. C., *March 18, 1869.*

[From the DAILY ALTA CALIFORNIA, of January 30, 1869.]

AN AUDACIOUS MONOPOLY.

The distant, foggy territory of Alaska seems to be prolific in bringing forth troublesome questions. "The wolf's long howl from Oonalaska's shore," of Campbell's sounding line, is nothing to the row which Alaska itself has made in public circles from the time its purchase was first suggested until now. The country was considerably agitated over the treaty providing for its cession, and when the time arrived for making an appropriation to pay for it, Congress was divided against itself. Next came the scandal about the reported bribery of reporters, editors and Congressmen to secure the passage of the appropriation bill, and now we are astonished with an audacious proposal to give the whole Territory over to the exclusive monopoly of a few citizens, to the exclusion of everybody else. In the sixth article of the Russian-American treaty of cession, it was agreed that the conveyance of the territory be declared absolutely "free and unincumbered by any reservations, privileges, franchises, grants or possessions, by any

associated companies, whether corporate or incorporate, Russian or any other, or by any parties, except merely private individual property-holders." This referred especially to the Russian-American Fur Company, an association of Russian capitalists, to whom the Alaskan territory had been farmed by the Imperial Government of Russia. The cession of the country to the United States having taken away the franchises and privileges of this great monopoly, it fell to pieces and abandoned the field which it had heretofore worked so profitably. The houses, stores, vessels and other personal property which the company owned were sold to a California concern, variously known by title, but consisting of a few individuals, at the head of which are Messrs. Hutchinson, A. Wasserman and Louis Schloss. So far as any right of purchase could make them, these individuals, Hutchinson & Co., are the successors of the company which received its license from the Imperial Government at St. Petersburg.

These men have already, by monopolizing the means of marine transportation to Alaska and currying favor with the military authorities there, secured a tolerably close contract for running the machinery of the Territory in their own interest. But a bolder step became necessary to protect them against the restless enterprise of American citizens, and, accordingly, they have applied to the Congress of the United States for such a charter. Hon. Cornelius Cole, accordingly, has introduced the following bill in the Senate:

*"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all other persons, except the native inhabitants of the islands of St. Paul and St. George, and of the Aleutian Islands, are prohibited from killing fur-bearing sea animals or fur-seals upon the islands of St. Paul and St. George, and all persons are prohibited from using fire-arms in the taking of such animals, and from killing them otherwise than in accordance with the rules and practices of the Russian-American Fur Company prior to the acquisition of said islands and territory by the United States. And the assignees and successors in interest of the Russian-American Fur Company shall be entitled to all the privileges and immunities possessed and enjoyed by the Russian-American Fur Company upon the said islands of St. Paul and St. George, for the term or period of thirty years; provided that the said successors in interest of the Russian-American Fur Company shall, at their own proper cost and expense, and without any charge whatever upon the Government of the United States, or of the Territory of Alaska, furnish and supply the native inhabitants of the said islands of St. Paul and St. George, and of all the Aleutian Islands, extending from Kodiak to and including the Island of Attou, with all the necessities and comforts of life which the Russian-American Fur Company and the Russian Government were in the habit of furnishing said inhabitants, including food, clothing, fuel, lumber, instruction in the useful arts, education, and religion, as fully in all respects as were enjoyed by them at any time while under the Government of Russia—the true successors of the Russian-American Fur Company, and the proper performance of their obligations, from time to time, to be determined by the President of the United States: *Provided further*, That in no case shall the said native inhabitants be paid less for services and labor rendered to the successors of the Russian-American Fur Company than they were accustomed to have and receive while under the Government of Russia; and the importation and sale to said inhabitants of intoxicating liquors of every description whatsoever, unless for medicinal purposes, is strictly prohibited."*

A proposition so monstrous has never been made to any Congress, and we are confident that the honorable Senator who introduced it could not have given the bill a thorough examination. It is well known that Senator Cole has always taken a lively interest in the Alaska purchase, and that his was one of the first suggestions which led to the drawing of the treaty for its cession. He would never have made himself liable to the imputation of being cognizant or interested in any scheme to acquire the Territory and hand it over to a knot of jobbing

speculators. The gist of the whole bill is contained in the portion which we have italicised. All the preceding part is well enough, and is included in a bill with a precisely similar title already introduced in the House of Representatives by Hon. T. D. Eliot, of Massachusetts, from the Committee on Commerce. But by Mr. Cole's bill the firm of Hutchinson & Co. come into virtual feudal possession of Alaska and its inhabitants, or of that portion which is included in the vast chain of islands stretching from Kodiak, on the northeast, to Atton, on the extreme southwest, with the islands of St. Paul and St. George on the north. These wretched Aleuts are handed over, body and soul, to the tender mercies of a single grasping firm, to have and to hold in a worse than Russian serfdom by the legitimate successors of the Imperial monopoly which has just been routed out of its stronghold of power by the (nominal) dawning of republicanism in the hitherto benighted regions of the north. For thirty years this concern is expected to be able to warn off all vessels which may attempt any trade with their native serfs; for thirty years they are to have the sole monopoly to kill and catch fur-bearing animals in the Territory referred to; for thirty years they are to have exclusive commerce in the world's largest supply of one variety of peltries; for thirty years they are to hold in abject slavery a race of people whose beggarly wage of labor, and whose food, clothing, and fuel, religion and education, (what a mocking satire!) are to be determined in quantity and quality by an appeal to what?—why, to the standard once adopted by that scandalous Imperial tyranny, the defunct Russian-American Fur Company.

As we have already shown, there can be no successor to the right of the Russian monopoly. The soil was purchased free of all such incumbrance, and the audacious proposition in Mr. Cole's bill is based upon the mere purchase by the California concern of certain personal property, consisting of a few old vessels, stores and sheds. This is a republican government, and Congress has no right to grant an exclusive franchise and a feudal serfdom in any part of the free territory of the United States to any man or men. And when the bill proposes that the President of the United States shall, from time to time, determine who are the legal successors of the Russian Company, it merely provides for an impossibility; there can be no successor to franchises which have been solemnly extinguished by act of treaty. The country has just paid seven millions of dollars for the Territory of Alaska, and it is not willing to give it to Hutchinson & Co., nor to any other men, in order that they may enjoy a princely revenue therefrom, to the exclusion of everybody else. It is well to provide for the protection of fur-bearing animals, so that they shall not be exterminated; but it is better that the species sought to be protected should be extinct than that such a monstrous proposition as that embodied in Mr. Cole's bill shall receive the sanction of law. It is contrary to the spirit of civilization and republicanism. Against it will be arrayed every man who understands it, (except those pecuniarily interested in it,) and the most influential citizens of California have already numerously signed a memorial to Congress praying against the passage of the bill.

[From the EVENING BULLETIN, of San Francisco, of January 28, 1869.]

MONOPOLIZING ALASKA.

Under the attractive title of a bill to prevent the extermination of fur-bearing animals in Alaska, a bill has been introduced into Congress for giving Hutchin-

son, Kohl & Co., the successors of the Russian Fur Company, all the privileges and immunities possessed and enjoyed by the Russian-American Fur Company for a term of 30 years. The bill forbids all persons, except natives of the islands St. George and St. Paul and of the Aleutian Islands, from killing fur-bearing sea animals upon these islands, and from using fire-arms or taking such animals in any different manner to that practised by the Russian Fur Company in the past. Having secured for themselves all the rights of the old company, and reduced the natives to the condition of Russian serfs, from which they were recently emancipated by annexation of their country to the United States, Messrs. Hutchinson, Kohl & Co. say what they will do in return: they will furnish the natives of the islands of St. George and St. Paul, and of all the Aleutian Islands extending from Kodiak to and including the island of Atton, "with all the necessities and comforts of life which the Russian-American Fur Company and the Russian Government were in the habit of furnishing said inhabitants, including food, clothing, fuel, lumber, instruction in the useful arts, education and religion, as fully in all respects as were enjoyed by them at any time while under the Government of Russia."

Under this bill the natives would be fed on dried salmon as of old, and for religion, they would be taught that "the earth is Hutchinson, Kohl & Co's, and the fullness thereof." But the bill also contemplates paying these serfs something for the peltries they bring in, to encourage them in hunting for the benefit of their masters. It is provided that in no case "shall the said native inhabitants be paid less for services and labor rendered to the successors of the Russian-American Fur Company than they were accustomed to have and receive while under the Government of Russia."

If such a bill became law, and a native made a complaint, which reached the outside world, that his food was deficient in quality or quantity; that his instruction was neglected; that the doctrine taught him was erroneous, or that he was only getting two bits for a skin which he thought he should have four bits for, Hutchinson, Kohl & Co. would have only to bring up some Russian witness to swear that dried salmon were sometimes scarce in hard seasons before the transfer of the territory; that the Russian Fur Company only served out biscuit and molasses once a year; that witness, when an employee of the old company, had only given one small blanket for so many skins, years ago; or that, to his knowledge, the Greek padres only visited the small islands once a year to baptize the young, and that they chiefly taught their flocks to submit themselves to the company—and the complaint must be dismissed.

Hutchinson, Kohl & Co. having, however, secured for themselves, under a republican government, all the privileges enjoyed by a company that was one of the worst representatives of Russian serfdom, and declared that the remuneration to be given the natives for the next thirty years shall be as little as they choose to give, and that they shall do no more for these people than their Russian taskmasters, have also determined on excluding all interlopers from their domain.

They have, as we have shown above, asked that no one but natives be allowed to kill fur-bearing animals on these islands, and they have made serfs of these natives; but one thing was wanting to insure their monopoly, and that is a provision by which they can harass all meddlesome captains of schooners who may cruise on their shores, in the hope of making a clandestine trade with the half-

starved and oppressed natives. This is done under the pretence of prohibiting the sale to the inhabitants of intoxicating liquors. On this pretense any vessel can be seized, and the captors need never fail to make proof of any charge they may choose to bring.

If Congress purchased Alaska for the benefit of Hutchinson, Kohl & Co., it would be right that the bill should pass; but if the object was to found a Northern colony for the benefit of the United States at large, no such monopoly as is contemplated by this bill should be permitted. The successors of the Russian-American Fur Company, nor the Fur Company itself, have any claim on the American nation. The territory was purchased free from any such incumbrance. The experience of the British in the Hudson Bay Territory, on the northeastern coast, and in British Columbia and Vancouver Island, on this coast, is that these fur-trading monopolies are opposed to increase of population, civilization of the inhabitants, and development of the country. Their policy is to maintain a few hunters, with their families, whom they rule with a rod of iron, and keep in a condition of abject servitude, and to leave all the country outside their own scattered forts and villages a barren waste and silent wilderness. After having suppressed peonage in the Southern States, in spite of the armed opposition of half a million of men, Congress is not going to re-enact the system in Alaska to please a single firm who are ambitious to rule the fur market of the world, and make a kingly revenue at the expense of their country.

[From the HERALD, of San Francisco, of Jan. 29, 1869.]

It is announced that Mr. Cole, Senator from California, has introduced a bill in the Senate of the United States "to prevent the extermination of fur-bearing animals in Alaska, and to protect the inhabitants thereof." Senators are not supposed to be responsible for the character of the bills they consent to introduce, or by their introduction to be compromised to their support. It is not to be supposed Mr. Cole will advocate the passage of the bill the title of which we have quoted. Mr. Cole's course hitherto does not justify the apprehension that he will expose himself to the censure necessarily to result from such advocacy. The caption of the bill is good. The bill is utterly indefensible. It is as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all other persons, except the native inhabitants of the islands of St. Paul and St. George and of the Aleutian islands, are prohibited from killing fur-bearing sea animals or fur-seals upon the islands of St. Paul and St. George, and all persons are prohibited from using fire-arms in the taking of such animals, and from killing them otherwise than in accordance with the rules and practices of the Russian-American Fur Company prior to the acquisition of said islands and territory by the United States. And the assignees and successors in interest of the Russian-American Fur Company shall be entitled to all the privileges and immunities possessed and enjoyed by the Russian-American Fur Company upon the said islands of St. Paul and St. George for the term or period of thirty years; Provided, That the said successors in interest of the Russian-American Fur Company shall, at their own proper cost and expense, and without any charge whatever upon the Government of the United States or of the Territory of Alaska, furnish and supply the native inhabitants of the said islands of St. Paul and St. George, and of all the Aleutian Islands, extending from Kodiack to and including the island of Adak, with all the necessities and comforts of life which the Russian-American Fur Company and the Russian Government were in the habit of furnishing said inhabitants, including food, clothing, fuel, lumber, instruction in the useful arts, education, and religion, as fully in all respects as were enjoyed by them at any time while under the government of Russia—the true successors

of the Russian-American Fur Company and the proper performance of their obligations from time to time to be determined by the President of the United States: *Provided further*, That in no case shall the said native inhabitants be paid less for services and labor rendered to the successors of the Russian-American Fur Company than they were accustomed to have and receive while under the government of Russia; and the importation and sale to said inhabitants of intoxicating liquors of every description whatsoever, unless for medicinal purposes, is strictly prohibited."

We can scarcely do more in this article than invoke the earnest attention of the public to the provisions of the bill. It may be well to interdict the killing of fur-bearing animals, except by the natives, and to inhibit the use of fire-arms—both for obvious reasons. But the succeeding clause of the bill, which is printed in italics, gives the whole of the Alaska purchase, so far as the fur-trade is concerned, into the hands of five or six men, to the exclusion of the remaining people of the United States. The assignees and successors in interest of the Russian-American Fur Company are by that clause entitled to all the privileges and immunities enjoyed by their predecessors on the islands of St. Paul and St. George for the period of thirty years.

Let us examine this. The act of cession by the Russian Government of the territory of what is known as Alaska annulled all charters and franchises theretofore enjoyed and possessed by subjects of Russia in the ceded territory. The Russian-American Fur Company, however, a corporation organized at St. Petersburg, still held, after the cession, certain property in Alaska, consisting of stations, with their houses, stores, etc., steamers and sailing vessels, and this property they sold out to a number of gentlemen, Messrs. Hutchinson, Louis Schloss, L. Genstle, O. Wahl, L. Boscovitch, and A. Wasserman. They could not transfer their franchises, because those had lapsed by the treaty of cession. But the bill introduced in the Senate continues to the gentlemen named, as the successors of the Russian-American Company, the rights, privileges, and franchises, for the surrender of which, among other things, the American people have just paid the Russian Government seven millions of dollars.

Another extraordinary feature of the bill is the clause conferring upon the President of the United States the right, and, we presume, the duty, of "determining from time to time the true successors of the Russian-American Fur Company, and the proper performance of their obligations." There are no successors to that company, and the President can make no such determination. The attempt to force such a succession is an instance of audacity to which we know no parallel.

We have no space to go into this subject more at length at present, but we shall refer to it hereafter.

